

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 2, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP
111 S. Tejon St., Suite 705
Colorado Springs, Colorado 80903
719-635-0330

I, Josh Miller as District Manager of the Banning Lewis Ranch Regional Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: _____



**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Banning Lewis Ranch Regional Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 2, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$9,618; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$86,574; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$8,334,870; and

WHEREAS, at an election held on November 1, 20015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Banning Lewis Ranch Regional Metropolitan District No. 2 for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 1.154 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 10.387 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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ADOPTED this 2nd day of November, 2023.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2

DocuSigned by:
Scott Smith
7B20DC6F0FA54B0...

Officer

ATTEST:

DocuSigned by:
Thomas Garmory
AB85E8C50C73485...

Secretary

**ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES**

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

12/29/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 6,807,160	\$ 4,229,609	\$ 1,846,381
REVENUES			
Property taxes	5,561	37,078	96,192
Specific ownership taxes	578	3,740	9,619
Interest income	91,683	190,550	52,600
Developer advance	9,688	32,075	61,927
Other revenue	413	-	160,491
Total revenues	<u>107,923</u>	<u>263,443</u>	<u>380,829</u>
TRANSFERS IN	<u>4,000</u>	-	-
Total funds available	<u>6,919,083</u>	<u>4,493,052</u>	<u>2,227,210</u>
EXPENDITURES			
General Fund	8	42,303	72,407
Debt Service Fund	9,459	37,368	108,222
Capital Projects Fund	2,676,007	2,567,000	2,046,181
Total expenditures	<u>2,685,474</u>	<u>2,646,671</u>	<u>2,226,810</u>
TRANSFERS OUT	<u>4,000</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>2,689,474</u>	<u>2,646,671</u>	<u>2,226,810</u>
ENDING FUND BALANCES	<u>\$ 4,229,609</u>	<u>\$ 1,846,381</u>	<u>\$ 400</u>
EMERGENCY RESERVE	\$ 100	\$ 200	\$ 400
AVAILABLE FOR OPERATIONS	6,196	-	-
TOTAL RESERVE	<u>\$ 6,296</u>	<u>\$ 200</u>	<u>\$ 400</u>

No assurance provided. See summary of significant assumptions.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/29/23

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ -	\$ 657,650	\$ 3,075,740
Commercial	-	-	160
Agricultural	7,780	6,890	6,700
State assessed	-	-	6,540
Vacant land	491,820	2,947,560	5,245,730
	<u>499,600</u>	<u>3,612,100</u>	<u>8,334,870</u>
Certified Assessed Value	<u>\$ 499,600</u>	<u>\$ 3,612,100</u>	<u>\$ 8,334,870</u>

MILL LEVY

General	1.113	1.026	1.154
Debt Service	10.019	9.239	10.387
Total mill levy	<u>11.132</u>	<u>10.265</u>	<u>11.541</u>

PROPERTY TAXES

General	\$ 556	\$ 3,706	\$ 9,618
Debt Service	5,005	33,372	86,574
Levied property taxes	<u>5,561</u>	<u>37,078</u>	<u>96,192</u>
Budgeted property taxes	<u>\$ 5,561</u>	<u>\$ 37,078</u>	<u>\$ 96,192</u>

BUDGETED PROPERTY TAXES

General	\$ 556	\$ 3,706	\$ 9,618
Debt Service	5,005	33,372	86,574
	<u>\$ 5,561</u>	<u>\$ 37,078</u>	<u>\$ 96,192</u>

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET**

**WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/29/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 6,296	\$ 200
REVENUES			
Property taxes	556	3,708	9,618
Specific ownership taxes	58	374	962
Interest income	2	50	100
Developer advance	9,688	32,075	61,927
Total revenues	<u>10,304</u>	<u>36,207</u>	<u>72,607</u>
Total funds available	<u>10,304</u>	<u>42,503</u>	<u>72,807</u>
EXPENDITURES			
General and administrative			
Accounting	-	10,000	15,000
Auditing	-	5,000	5,500
County Treasurer's fee	8	56	144
Dues and membership	-	-	700
Insurance	-	3,021	5,000
District management	-	20,000	22,000
Legal	-	4,000	10,000
Election	-	226	-
Contingency	-	-	14,063
Operations and maintenance			
Total expenditures	<u>8</u>	<u>42,303</u>	<u>72,407</u>
TRANSFERS OUT			
Transfers to other fund	<u>4,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,008</u>	<u>42,303</u>	<u>72,407</u>
ENDING FUND BALANCES	<u>\$ 6,296</u>	<u>\$ 200</u>	<u>\$ 400</u>
EMERGENCY RESERVE	\$ 100	\$ 200	\$ 400
AVAILABLE FOR OPERATIONS	6,196	-	-
TOTAL RESERVE	<u>\$ 6,296</u>	<u>\$ 200</u>	<u>\$ 400</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

12/29/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 132	\$ -
REVENUES			
Property taxes	5,005	33,370	86,574
Specific ownership taxes	520	3,366	8,657
Interest income	66	500	2,500
Other revenue	-	-	10,491
Total revenues	<u>5,591</u>	<u>37,236</u>	<u>108,222</u>
TRANSFERS IN			
Transfers from other funds	<u>4,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>9,591</u>	<u>37,368</u>	<u>108,222</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	75	501	1,299
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	11,885
Debt Service			
Bond interest	5,384	32,867	91,038
Total expenditures	<u>9,459</u>	<u>37,368</u>	<u>108,222</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>9,459</u>	<u>37,368</u>	<u>108,222</u>
ENDING FUND BALANCES	<u>\$ 132</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

12/29/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 6,807,160	\$ 4,223,181	\$ 1,846,181
REVENUES			
Interest income	91,615	190,000	50,000
Other revenue	413	-	150,000
Total revenues	<u>92,028</u>	<u>190,000</u>	<u>200,000</u>
Total funds available	<u>6,899,188</u>	<u>4,413,181</u>	<u>2,046,181</u>
EXPENDITURES			
General and Administrative			
Accounting	1,260	2,000	3,000
District management	4,793	-	-
Contingency	-	-	150,000
Capital Projects			
Streets	1,541,783	2,500,000	950,000
Engineering	15,564	35,000	20,000
Sewer	895,019	25,000	50,000
Water - non utilities	217,588	5,000	873,181
Total expenditures	<u>2,676,007</u>	<u>2,567,000</u>	<u>2,046,181</u>
Total expenditures and transfers out requiring appropriation	<u>2,676,007</u>	<u>2,567,000</u>	<u>2,046,181</u>
ENDING FUND BALANCES	<u>\$ 4,223,181</u>	<u>\$ 1,846,181</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Banning Lewis Ranch Regional Metropolitan District No. 2 (“the District”), formerly Banning Lewis Ranch Metropolitan District No. 7, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on December 1, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide street improvements, parks and recreational facilities, water supply, wastewater facilities, traffic and safety controls, public transportation, fire protection, mosquito control and television relay. The District was originally one of the Financing Districts organized in conjunction with six other related Districts - Banning Lewis Ranch Metropolitan District Nos. 1, 2, 3, 4, 5, and 6 (now Banning Lewis Ranch Regional Metropolitan District No. 1). It is the District’s intention to serve as a Regional District for the continued growth within the Banning Lewis Ranch community. The District’s service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of property taxes is reflected on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5.00%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

County Treasurer’s Fees

County Treasurer’s fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The details of the District's general obligation bonds outstanding are as follows:

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds)

Bond Proceeds

The District issued the Bonds on July 29, 2021, in the par amount of \$10,380,000. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of regional public improvements and pay the costs of issuing the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.750% (yield 5.1128%) per annum and are payable annually on December 1, beginning on December 1, 2021 from and to the extent of available Pledged Revenue, if any. The Bonds mature on December 1, 2051.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 1, 2061, such amounts shall be deemed discharged and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; (c) all Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

“Property Tax Revenues” means all monies derived from imposition by the District of the Required Mill Levy and does not include specific ownership taxes. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

“Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of its Required Mill Levy.

“Capital Fees” means all fees, rates, tolls penalties, and charges of a capital nature (excluding periodic, recurring service charges now or hereafter imposed by the District. Capital Fees does not include the Excluded Fees or any fee imposed solely for the purpose of funding operations and maintenance expenses. Excluded Fees means certain service fees that may be imposed by the District pursuant to the District Facilities Agreement.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy upon all taxable property of the District each year in an amount equal to 9 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2017) or such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bond Fund, will pay the Bonds in full in the year such levy is collected.

Bonds Debt Service

The annual debt service requirements of the Bonds are payable from available Pledged Revenue.

**BANNING LEWIS RANCH REGIONAL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Schedule of Long Term Obligations

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*
G.O. Bonds - Series 2021	10,380,000	-	-	10,380,000
Accrued interest - Series 2021	858,959	646,083	32,867	1,472,174
Issue Premium - Series 2021	380,361	-	405	379,956
Developer Advance - Operations	9,688	32,075	-	41,763
Accrued interest - Operations	135	1,801	-	1,936
	<u>\$ 11,629,143</u>	<u>\$ 679,959</u>	<u>\$ 33,272</u>	<u>\$ 12,275,829</u>
	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
G.O. Bonds - Series 2021	10,380,000	-	-	10,380,000
Accrued interest - Series 2021	1,472,174	681,064	91,038	2,062,200
Issue Premium - Series 2021	379,956	-	1,120	378,836
Developer Advance - Operations	41,763	61,927	-	103,690
Accrued interest - Operations	1,936	5,091	-	7,027
	<u>\$ 12,275,829</u>	<u>\$ 748,082</u>	<u>\$ 92,158</u>	<u>\$ 12,931,753</u>

* Estimate

The District has no operating or capital leases.

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | Limited Tax General Obligation Bonds, Series 2021 (3) - Public Infrastructure |
| | Series: | 2021 |
| | Date of Issue: | July 29, 2021 |
| | Coupon Rate: | 5.750 % |
| | Maturity Date: | December 1, 2051 |
| | Levy: | 10.387 |
| | Revenue: | \$ 86,574 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

Proof of Publication

THE TRANSCRIPT
Colorado Springs, Colorado

STATE OF COLORADO, } ss.
COUNTY OF EL PASO }

I, Fran Zankowski, Publisher, or the undersigned Authorized Agent of the Publisher, do solemnly swear that I am the Publisher, or Authorized Agent of the Publisher of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

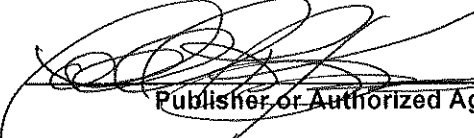
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

20, OCTOBER, A.D. 2023.

And that the last publication of said notice was in the issue of said newspaper dated:

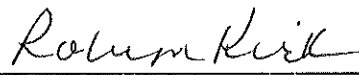
20, OCTOBER, A.D. 2023.

In witness whereof, I have hereunto set my hand this 20th day of October, A.D. 2023.



Publisher or Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 20th day of October, A.D. 2023.



Notary Public

ROBYN KIRK
Notary Public
State of Colorado
Notary ID # 20114063677
My Commission Expires 10-05-2027

**NOTICE OF HEARING
ON PROPOSED 2024
BUDGET AND 2023
BUDGET AMENDMENT**
NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2024 has been submitted to the Banning Lewis Ranch Regional Metropolitan District No. 2 ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 11:00 a.m. on November 2, 2023 via telephone and videoconference. To attend and participate by telephone, dial 720-547-5281 and enter passcode 346 266 38#. To attend and participate by videoconference, visit https://teams.microsoft.com/j/19%3ameeting_Y2MyMWRjZTA1MjE4ZC00YzQ2LWE3M2Q1MzI1OTc0MzcyYThl%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-09dd-42cc-bfd8-f7dd2ed196a8%22%7d.
NOTICE IS FURTHER GIVEN that an amendment to the 2023 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2024 budget and the amended 2023 budget, if required, are available for public inspection at the offices of CliftonLarsonAllen, LLP at 121 South Tejon Street Suite 1100, Colorado Springs, CO 80903. Any interested elector within the District may, at any time prior to final adoption of the 2024 budget and the amended 2023 budget, if required, file or register any objections thereto.
BANNING LEWIS RANCH
REGIONAL METROPOLITAN
DISTRICT NO. 2
By: /s/ Bruce Rau
President
Publication Date: October 20, 2023
Published in The Transcript
DT43268